

VZCZCXYZ0014
PP RUEHWEB

DE RUEHBUL #2932/01 1791102
ZNR UUUUU ZZH
P 281102Z JUN 06
FM AMEMBASSY KABUL
TO RUEHC/SECSTATE WASHDC PRIORITY 1091
INFO RUCNEXC/ECRBS COLLECTIVE
RUCNAFG/AFGHANISTAN COLLECTIVE
RUEHZG/NATO EU COLLECTIVE
RUCNIRA/IRAN COLLECTIVE
RUEKJCS/JOINT STAFF WASHDC
RUCNDT/USMISSION USUN NEW YORK 2639
RUEHGV/USMISSION GENEVA 6090
RUEHUNV/USMISSION UNVIE VIENNA 1464
RUEATRS/DEPT OF TREASURY WASHDC
RHEHAAA/NSC WASHDC
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC
RHMFIUU/DEPT OF ENERGY WASHDC
RHFJUSC/US CUSTOMS SERVICE WASHDC
RUEKJCS/SECDEF WASHDC
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS KABUL 002932

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DEPT FOR ISN/ECC PVANSON, ACHURCH, KCROUCH AND JLCOLLINS;
CBP/INA FOR JKELLY; DOE/NNSA FOR RSTUBBLEFIELD; DOC FOR
ELOCKWOOD-SHABAT; DOT FOR APARAMESWARAN; SECDEF FOR
MHOFFMANN, FLIGHT, AND RVIERKANT

E.O. 12958: N/A

TAGS: [ETTC](#) [PARM](#) [PREL](#) [KSTC](#) [KNNP](#) [AF](#)

SUBJECT: EXBS Afghanistan Advisor Monthly Reporting Cable -
May 2006

I. SUMMARY

1. (U) The Border Management Initiative (BMI) has identified immediate needs at the Islam Qalah Border Crossing Point (BCP). Working with Afghan ministries, CFC-A, CSTC-A, USAID/Bearing Point and international donors, BMI has identified areas of concern that are being addressed within the time and funding constraints for short term improvements, i.e. traffic flow and control; BCP and personnel security; resource management; cargo inspection and processing; and working conditions. Some minor changes are already showing signs of increased revenue generation by the Afghanistan Customs Department (ACD).

2. (U) The Ministries of Finance (MoF) and Interior (MoI) have agreed to the terms of a Memorandum of Understanding (MoU) and have settled long-running disputes of their respective Areas of Responsibility (AoR). Other disputes between the Ministries of Finance, Agriculture, and Commerce relating to BCP property ownership are being addressed in favor of moving forward with donor sponsored construction projects. BMI is in the process of identifying the restrictions imposed by the Ministry of Foreign Affairs for new construction projects at the BCPs on the Iranian border based on Afghan and Iranian disputed lines of demarcation.

3. (U) BMI is addressing the lack of training for ACD personnel with ACD, World Bank/CURE, UNOPS, USAID/Bearing Point and DfID/ASI. Efforts are underway to identify training sites; trainers; required curricula; training programs; and donor support. The ACD is moving forward to substantially increase their workforce and professionalize their staff by ending a recruitment ban and initiating a selective recruiting program.

¶4. (U) BMI is moving forward with identifying gaps in the Afghan reform process through better donor coordination processes occurring within the BMI Sub-Working Groups (SWG) recently developed by BMI to address specific issues amongst the varied SWGs strategically staffed by subject-matter experts. These SWGs identify and recruit additional donors as they are brought under the BMI umbrella to effectively and efficiently perform their tasks in coordination with donors whose projects harmonize with BMI objectives.

END SUMMARY

II. ITEMS OF BROAD INTEREST.

¶5. (U) The Afghanistan Reconstruction Group's (ARG), Border Management Initiative in conjunction with its partners, the MoF ACD, MoI Afghan Border Police (ABP), USAID contractor Bearing Point, CSTC-A Police Reform Directorate (PRD), and DynCorp mentors have begun to make BCP security enhancements that provide better control of human and vehicular traffic and prevent unauthorized personnel from entering Immigration and Customs processing areas. Customs formalities were sometimes undertaken by individuals not authorized or licensed to do so. This resulted in crowds of unauthorized clients in the Customs Verification and Assessment (of goods) Section that interrupted administrative discipline and intimidated the Customs authorities. These control measures have increased the efficiency and security of traffic moving through the new Customs processes by reducing unauthorized outside influences detrimental to the transparency, accuracy, and efficiency of those processes. Additional work is being planned to increase security by U.S. engineers with the

installation of additional barriers, fencing, and lighting of the Customs cargo processing areas. Efforts are underway to repair road surfaces within the BCP facility to further facilitate the movement of commercial traffic. These immediate needs are being addressed prior to the anticipated construction of a more permanent facility later this year.

¶6. (U) The ACD Herat Inland Container Depot has cooperated with the Customs Police Commander to secure the entire perimeter of the facility by installing security lighting on the boundary wall closely monitored by manned guard posts. The role of the Customs Police Officer has been defined in meetings between the Customs Authorities and the Customs Police and the importance of securing national benefits and public assets has been impressed on Afghan officials. Furthermore, all Customs personnel, clients, and day laborers are being searched by Customs Police before being allowed on the Customs premises. Since that time, there have been no reports of theft or the tampering of goods within control of the Customs facility.

¶7. (SBU) For continued economic development and increased capability, a Government of Afghanistan (GoA) National Strategy, supported by the International Community and a Border Management Task Force (BMTF) will bring the GoA into compliance within World Trade Organization standards. BMI is working with the US Embassy to assist in the following actions:

U.S. / International / Afghanistan: Formalize a National Border Strategy by encouraging President Karzai to appoint a "Lead Agent". This may require further Ambassadorial level engagement to support the ARG and the MoF in proposing this course of action. Appointment and empowerment of a single "Lead Agent" could facilitate implementation of a National Strategy encouraging international donors to make the best use of their often-limited contributions.

BMI Donors Conference: This conference would bring together the GoA and international partners to better identify quantifiable and deliverable objectives on all 13 BCPs and coordinate future planning and funding of BCP reformation.

Subject Matter Experts/Mentors: International "honest

brokers" from the U.S. and international partners would be deployed at BCPs and contracted by the GoA. The deployment of trusted MoF Management Intervention Teams would be continued, possibly in combination with foreign "honest brokers."

U.S. Actions

Support a future "Lead Agent" concept by helping to develop a National Strategy that addresses security, health, agriculture, immigration, anti-smuggling, and customs revenue. Concurrently, BMI could assist the "Lead Agent" to implement this National Strategy by offering the assistance of BMTF subject matter experts.

U.S. Army Corps of Engineers to deploy teams over next two and a half months to remaining 12 BCPs for infrastructure assessments.

III. COMPLETED ACTIONS FOR THE REPORTING PERIOD

¶8. (SBU) On May 18, 2006 representatives from the Afghan Ministries of Interior and Finance traveled to the Islam Qalah BCP to discuss the MoU agreed to by both parties that

delineates the Areas of Responsibility (AoR) of the ABP and Customs Police at the BCP. Although the Customs Police and the ABP are part of the MoI, the Customs Police fall under the direction of the MoF while performing their duties within the Customs BCP facility. The success of this meeting has resulted in the proposed return of the Customs Police to the Islam Qalah BCP after an absence of eight months. The imminent return of the Customs Police will enable both Ministries to enhance security at the BCP by managing their human resources more efficiently and making better use of experienced Customs personnel.

¶9. (U) In March 2006, the ACD's Management Intervention Team (MIT) initiative installed new managers at the Islam Qalah BCP and the Herat ICD displacing permanently assigned managers suspected of inadequate performance. The resulting progress in proper cargo processing procedures has been improved by ensuring that the original invoices, packing lists, and other Customs documents are submitted to the proper Customs officials. These officials have improved their procedures for verifying details on shipping documents, confirming that conveyance cargo seals and goods are not broken or tampered with, and ensuring that all goods are unloaded and accounted for when transferred from one conveyance to another. There has been a serious lack of cargo inspections for several reasons, but the new managers have taken steps to rectify the situation in part by ensuring transit documents are registered with Customs and checked against the cargo seals. These managers are instilling in the employees the need to target cargo suspected of being mislabeled or not manifested. Recently, spare car parts were discovered concealed within scrap metal shipments that were previously overlooked, robbing the GoA of revenue due. These practices, however small and simple, have contributed to better performance and greater revenue generation.

¶10. (U) Inadequate working conditions at the BCP are being addressed to increase work product by removing Customs authorities from cramped and dysfunctional offices. Improvements to the Customs document processing area last year lacked proper office equipment from which to conduct assigned tasks. Lack of a HVAC system required for healthy and comfortable working conditions prevented the Customs staff from occupying the newly refurbished area. These deficiencies are being rectified to promote a more effective and efficient work force. Although a newly constructed BCP facility is being planned, the project is not expected to begin before the end of this year. In the interim these immediate needs are being fulfilled to avoid interruption of Customs and Immigration processes in yet another attempt to increase Customs revenue.

¶11. (SBU) The Ministries of Finance, Commerce, and Agriculture have begun addressing disputed land ownership that has hampered the timely installation of badly needed infrastructure and stalled donor sponsored projects. The Ministry of Agriculture has relinquished ownership of land at the Islam Qalah BCP but has refused thus far to turn over other parcels of land at other BCPs that are crucial to building properly functional Customs facilities. The Ministry of Commerce has agreed to vacate a rail yard at the Towraghundi BCP allowing the construction of badly needed Customs facilities to proceed. The Ministries of Commerce, Finance, and Interior have also resolved disputed land ownership and areas of operation at the Shir Khan Bandar BCP.

¶12. (SBU) The ARG/BMI Chief of Staff has established dialogue between the Ministries of Finance and Foreign Affairs to avert any delays in the planned construction of a new Islam Qalah BCP. The issue centers on Iranian and Afghan undefined lines of demarcation that have been in dispute. The Ministry of Foreign Affairs (MFA) has placed a moratorium on any new construction that would signal to the Iranians encroachment by the Afghans onto the disputed territory. The MFA has indicated that this dispute will not be resolved anytime in the near future and therefore requires that only the construction of temporary structures be allowed. However, the Ministry of Finance is being encouraged to explore with the MFA alternative locations adjacent to disputed land areas where permanent facilities may be placed.

¶13. (SBU) On May 22, 2006 the EXBS Advisor met with UNOPS, GPPO, and the Italian DCM to discuss ACD's training strategy for Customs Police and authorities. The Training Coordination Unit (TCU) made up of UNOPS, World Bank CURE, DfID/ASI, and ACD are in the process of developing a comprehensive training program and capacity development initiatives, which include the following:

- Establishment of a training coordination team of ACD Officers who would take on the task of organizing, coordinating and managing training activities in the future.

- Coordination and management of leadership training through the Accelerated Development Project (six months of Foreign Training for cadre officers).

- Donor and Stakeholder coordination for implementation of the customs technical and competency development programs. Resource location and coordination for implementing the programs as planned by the ACD.

- Organizational change and ownership would be institutionalized.

- Capacity building across all customs functional units including;(a) Core customs, (b) Managerial/ Administrative skills, (c) Equipment handling and management, and (d) ASYCUDA/EUROTRACE, etc. would be coordinated for implementation in all regional centers.

- Coordination and organization of International Customs (including liaison with the 'International Customs' section) and trade training programs for officers. Organize WCO/WTO/ECO related training activities for the ACD.

- Coordinate training programs for clients and stakeholders (including brokers, traders, lawyers etc.).

- Coordinate setting up, operation and functioning of a well equipped 'Customs Academy for Staff Training' (CAST).

- Consolidation of all capacity development and training activities/materials at the ACD at the unit for future organizational needs.

- Dissemination of training materials and publications to the customs offices and all concerned.

- Feedback systems would be in place for coordinating with trainers/institutions to adapt courses (National/International) in light of ACD needs.

The TCU is in discussion with the Italian Embassy to field an Italian Customs Guardia di Finanza official in Kabul and four or five officials in Herat Province. These Customs trainers are planning to interface with ACD as Customs

trainers and adapt their courses of instruction to Afghan curricula.

¶14. (U) The ACD was operating under a recruitment ban imposed by the MoF until the Afghan Parliament completed the restructuring of Ministry officers. Since the recent

lifting of the ban, the ACD is moving forward by recruiting qualified managerial candidates. As a result, the TCU has begun the Accelerated Development Project (six months of Foreign Training for cadre officers) and have contracted with Pakistan Custom Authorities to train 25 new recruits in Islamabad free of charge. The ACD will be responsible for per diem and travel. The six month course will include internationally recognized courses, English training, and On-the-Job-Training (OJT) on the Afghan/Pakistan border. After successful completion of this training the recruits will return to Kabul for two additional months of training on the Afghan Customs Code, laws and regulations. The Afghanistan EXBS Advisor has consulted with the Tajikistan EXBS Advisor to explore a similar training program with the Tajikistan Customs Authorities. The Tajikistan Advisor met with the Tajik Minister of State Revenues and Duties (Customs) who was very open to the idea and offered to include the Afghan officials in the curriculum development. The Minister is also very interested in conducting cross border cooperation which he characterized as "non-existent". He feels close coordination and cooperation between all border countries will enhance trade and relations. The ACD is considering the offer.

¶15. (SBU) Since the establishment by BMI of Sub-Working Groups (SWGs) that specifically target diverse issues of reform, much progress has been made in the coordination of the varied projects and procedures of the donor community. For example, the Infrastructure SWG has brought together subject-matter experts that have identified and culled their respective projects to efficiently and effectively administer their respective requirements thus avoiding duplication and filling any existing gaps. Likewise, the Donor SWG has been instrumental in bringing the donor community together and identifying the gaps and overlaps of their missions. This SWG is easily assessable to newcomers who want to integrate their programs with others. For example, the Japanese have begun coordinating their efforts on DOHA-II projects with Border Management and Drug Action Programmes in Central Asia (BOMCA) and the European Commission on the Afghan border with Tajikistan. Other SWGs concerned with budgets, metrics, and trade facilitation are also experiencing progress.

¶16. (U) TRAINING CONDUCTED DURING REPORTING PERIOD.

Nothing to report.

¶17. (U) EQUIPMENT DELIVERED DURING REPORTING PERIOD.

Nothing to report.

¶18. (U) IMMINENT TRAINING OR EQUIPMENT STATUS UPDATE.

Nothing to report.

¶19. (U) SIGNIFICANT DEVELOPMENTS IN EXPORT CONTROLS, NONPROLIFERATION, OR RELATED BORDER SECURITY.

Nothing to report.

¶20. (U) OTHER SIGNIFICANT ISSUES/EVENTS.

¶1. EXBS: The Afghanistan EXBS Advisor met with the Director of International Transit and Trade Facilitation and Senior Advisor to the Minister of Commerce after his return from the 8th Central Asia and Caucasus Regional Forum on Export Controls conference held in Tbilisi, Georgia on May

16-18, 2006. The Minister's Advisor was very complementary

of the conference and has offered to assist in identifying the Afghan Ministries and the particular roles they will play in the establishment of an EXBS program in Afghanistan. The Advisor suggested that the EXBS Program be explained at a forum to GoA officials who would be responsible for the respective components of the Program. This step in the process will be a prelude to identifying the appropriate order of program areas to be phased in congruent with existing and developing Afghan programs. The EXBS Advisor has met with the World Bank CURE representative embedded with the Ministry of Finance who agreed with the Director General of ACD to include the EXBS Program in the Afghan Five Year Plan presently under revision.

¶21. (U) RED FLAG U ISSUES.
None to report.

¶22. (U) Please direct any questions or comments to Barry F. Lory, EXBS Advisor to Afghanistan; +93-070-073-652, extension 4836; lorybf@state.gov or to Jimmie L. Collins, South Asia Regional Program Manager, Office of Export Control Cooperation, 202-647-1778, collinsjl2@state.gov.

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